

# Session Two: Learning from Experience— Making Good Decisions about Your Financings

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CALIFORNIA  
DEBT AND  
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THE CALIFORNIA DEBT & INVESTMENT ADVISORY  
COMMISSION'S PRE-CONFERENCE  
TO  
*THE BOND BUYER'S 21<sup>ST</sup> ANNUAL*  
CALIFORNIA PUBLIC FINANCE CONFERENCE

## Panelists:

Keith Curry, CITY COUNCIL MEMBER—City of Newport Beach, California

Gary Caporicci, FOUNDER & PRINCIPAL—Caporicci & Larson, CPAs, Irvine, CA

Kevin Civale, PARTNER—Stradling Yocca Carlson & Rauth, Newport Beach, CA

Tim Schaefer, PRINCIPAL OWNER—Magis Advisors, Newport Beach, CA

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Carlsbad, CA

# THE MARKET'S VIEW . . . .

“I used to think if there was reincarnation, I wanted to come back as the president or the pope or a .400 baseball hitter. But now I want to come back as the bond market. You can intimidate everybody.”

*—James Carville, American lawyer, former U.S. Marine and political consultant to President Bill Clinton*



# THE ISSUER'S VIEW . . . .

- Is this new regulatory framework really addressing the problem, or just adding additional costs with undefined or illusory benefits to the local government?
- What will all the new regulation/standards cost?
- Public agencies have already “paid” for their financial statements once, should they be expected to “pay” again when they issue debt?
- How will/should the market react to the new rules on pensions?
- Will the investors “reward” those agencies who voluntarily improve disclosure/ reporting?
- How can those agencies measure their benefits?



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“Be advised the information herein may not be current and is subject to change. Past performance is not necessarily indicative of future results.”

Keith Curry  
City Council Member  
Newport Beach, CA



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# THE AUDITOR'S VIEW . . . .

- Have GASB standards made governmental accounting more complex (and expensive)?
- Are the existing financial reporting standards:
  - Providing the “right information?”
  - At the right time?
  - In a usable format?
- What is the proper role for the auditor in debt issuance?
- What do public agencies need to know about GASB and Dodd-Frank?
- Will the GAO’s study on GASB funding make a difference in the long run?
- What about pension disclosure?
- What’s to be done about timeliness of financial reporting?



**“What this all means is,  
it depends.”**

**Gary Caporicci**  
Founder & Partner  
Caporicci & Larson, CPAs  
Irvine, CA



# THE COUNSEL'S VIEW . . . .

- How have local governments fared in the economic recession in terms of bond compliance?
- Has the environment of the past three years made a material difference in the quality or nature of their disclosure or bond compliance?
- What should smaller, less frequent issuers be doing to keep up with all of this?
- Will the MSRB's "voluntary" disclosure platform make a difference? Why? How?
- What would "best practices" look like for an issuer moving in that direction?
- Why should a local official care about fiduciary duty, anyway?

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**“Every time I come up with a great idea, you have to bring up the law and prison.”**

**Kevin Civale**

Partner

Stradling Yocca Carlson & Rauth

Newport Beach, CA

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# THE REGULATOR'S VIEW . . . .

“You have a central role to play in our regulatory system, as informed issuers. In short, know the law, know your advisors, know your responsibilities, know your practices, know our guidance, respect your constituency and apply common sense.”

*—Stephen J. Weinstein, Securities and Exchange Commission, in a speech before the Georgia Government Finance Officers Association, October 3, 2000.*

